

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1443

H. P. 1219

House of Representatives, March 23, 1981

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative J. Diamond of Bangor.

Cosponsor: Representative Hayden of Durham.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Change the Method of Taxing Nuclear Power Plants.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 36 MRSA § 655, sub-§ 1, ¶ Q is enacted to read:

Q. The personal property of any nuclear power generation facility in this State, including but not limited to the machinery and equipment of the facility.

Sec. 2. 36 MRSA c. 367 is enacted to read:

CHAPTER 367

NUCLEAR POWER GENERATION COMPANIES

§ 2751. Companies taxable

Every corporation, association or person operating in whole or in part a nuclear power generation facility in this State shall pay to the State Tax Assessor, for the use of the State, an annual excise tax for the privilege of maintaining such a facility within the State.

§ 2752. Computation

The amount of the annual excise tax levied under this chapter shall be determined on the basis of the value of the personal property belonging to the

taxable company and located at, or used in direct connection with the operations of the nuclear power generation facility involved. This value shall be determined by the State Tax Assessor in accordance with chapter 102.

Notwithstanding chapter 103, subchapter II, the rate of tax assessed under this chapter shall be 19.31%.

§ 2753. Administration

Except as otherwise provided in this chapter, the excise tax levied in this chapter shall be administered in the same manner as state property taxes, with all revenues to be credited to the General Fund.

§ 2754. Property tax exclusion

The excise tax imposed by this chapter shall be in lieu of any property taxes on any such facilities and shall be coextensive to the exemptions granted in section 655.

STATEMENT OF FACT

The purpose of this bill is to provide for the taxation of nuclear power facilities at the state level. Presently, electrical utilities in the State are taxed only at the municipal level by use of the local property tax. The full amount of these taxes is borne by customers of the utility throughout the State. The inequity of this statewide subsidy of local programs, noted in a 1978 report of the Joint Select Committee on Property Taxation of Public Utilities, is aggravated by the concentration of resources in large facilities such as nuclear plants.

Section 1 of the bill creates an exemption from local taxation of the personal property but not the land of the nuclear facility.

Section 2 levies an excise tax to be administered by the State. In order to facilitate the transition between local and state taxation of personal property and in light of the reimbursement requirement of the Constitution of Maine, Article IV, Part 3, Section 23, this excise is computed by the same formulae used for property taxation.